

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 TESTIMONY OF J. EDWARD MATEJICK
3 BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
4 DOCKET NO. 97-239-C
5 DECEMBER 31, 2003
6

7 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
8 TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS
9 ADDRESS.
10

11 A. My name is J. Edward Matejick. I am employed by BellSouth as the Product
12 Manager for Switched Access Services. My business address is 675 West
13 Peachtree Street, Atlanta, Georgia 30375.
14

15 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND
16 AND EXPERIENCE.
17

18 A. I graduated from Georgia Tech in 1975 with a Bachelor's degree in Civil
19 Engineering. Additionally, in 1980, I received a Master of Business
20 Administration from Lamar University. I began employment with BellSouth in
21 1987 in the Cost of Service Department. In 1990, I moved into the Pricing
22 Organization and became responsible for the development and filing of Switched
23 Access services. In 1993, I became responsible for the development of
24 competitive pricing plans for usage based products (local and toll) for the Pricing
25 and Small Business Services organizations. In 1996, business package services

1 and life cycle Product Management for Optional Calling Plans were added to my
2 responsibilities in the Product Commercialization Unit and Strategic Pricing
3 organizations. In 2001, I became the Product Manager for Switched Access
4 services.

5
6 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

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8 A. The purpose of my testimony is to demonstrate that the proposed reductions in the
9 rates for BellSouth's Feature Group D intrastate switched access service in South
10 Carolina, which are set out in the tariff BellSouth filed in this docket on
11 September 2, 2003, will result in an annual revenue reduction of \$7.991 million.¹

12
13 Q. PLEASE DESCRIBE THE IMPACT OF THESE RATE REDUCTIONS TO
14 BELL SOUTH'S ANNUAL INTRASTATE SWITCHED ACCESS REVENUE. .

15
16 A. BellSouth's proposed reduction of the Local Switching rate, the DS1 Facility
17 Termination charge and the DS1 Interoffice Channel Mileage charge components
18 of its Feature Group D intrastate switched access rates in South Carolina will
19 reduce the amount of revenue BellSouth receives for the service from
20 Interexchange Carriers (IXCs) and from other incumbent Local Exchange
21 Carriers ("LECs" or "ICOs"). The present and proposed rates for these rate
22 elements are shown in Exhibit JEM-1.²

¹ As a result of the correction of a calculation error, this amount is slightly lower than the \$8.117 million amount that is set out BellSouth's tariff filing package of September 2, 2003.

² The attached version of Exhibit JEM-1 is redacted and non-proprietary. BellSouth will make proprietary versions of Exhibit JEM-1 available to parties upon

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2 The rate reductions in BellSouth's proposed tariff will result in a total intrastate
3 switched access revenue reduction to BellSouth of \$7.991 million annually. The
4 reduction in revenues from IXC's is \$6.829 million annually. The reduction in
5 revenues from other incumbent LECs is \$1.162 million annually.

6

7 Q. HOW IS THE REDUCTION IN INTRASTATE SWITCHED ACCESS
8 REVENUE FROM IXCS CALCULATED?

9

10 A. The calculation of the reduction in intrastate switched access revenue from IXC's
11 is shown on Exhibit JEM-1. Actual demand for each of the relevant rate elements
12 for the period from July 2002 through June 2003 is multiplied by the present rate
13 for the element and then by the proposed rate for the element. The resulting total
14 revenues under the proposed rates are subtracted from the total revenues under the
15 present rates with the difference being the intrastate switched access revenue
16 reduction to BellSouth of \$6.829 million annually.

17

18 Q. HOW IS THE REDUCTION IN INTRASTATE SWITCHED ACCESS
19 REVENUE FROM OTHER INCUMBENT LECS CALCULATED?

20

21 A. The calculation of the reduction in intrastate switched access revenue from other
22 incumbent LECs, or ICOs, is shown on Exhibit JEM-2.³ The annual revenue

execution of an acceptable proprietary agreement or upon the Commission's entry of a
protective order in this docket.

³ The attached version of Exhibit JEM-2 is redacted and non-proprietary. BellSouth will make proprietary versions of Exhibit JEM-2 available to parties upon execution of an acceptable proprietary agreement or upon the Commission's entry of a protective order in this docket.

1 reduction resulting from BellSouth's proposed tariff is the difference between the
2 annualized ICO payments to BellSouth under the existing rates (columns with the
3 "Present Rate" label) and the annualized ICO payments to BellSouth under the
4 proposed rates (columns with the "Proposed Rate" label). The resulting
5 Annualized Total Reduction in Settlement Revenues to BellSouth is \$1.162
6 million.

7
8 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

9
10 A. Yes.

11
12 520037

SOUTH CAROLINA
Intrastate Switched Access Rate Reductions
July 2002 Through June 2003 Data

Description	Demand	Present Rate	Proposed Rate	Present Annual Revenue	Proposed Annual Revenue	Revenue Change
Local Switching 1 Premium	[REDACTED]	\$ 0.006979	\$ 0.002158	[REDACTED]	[REDACTED]	[REDACTED]
Local Switching 2 Premium	[REDACTED]	\$ 0.006979	\$ 0.002158	[REDACTED]	[REDACTED]	[REDACTED]
Local Switching 3 Premium	[REDACTED]	\$ 0.006770	\$ 0.002148	[REDACTED]	[REDACTED]	[REDACTED]
Local Switching 4 Premium	[REDACTED]	\$ 0.006770	\$ 0.002148	[REDACTED]	[REDACTED]	[REDACTED]
Dedicated Switched ROR DSI Zone 1*	[REDACTED]	\$ 90.00	\$ 81.00	[REDACTED]	[REDACTED]	[REDACTED]
Dedicated Switched ROR DSI Zone 2*	[REDACTED]	\$ 90.00	\$ 81.00	[REDACTED]	[REDACTED]	[REDACTED]
Dedicated Switched ROR DSI Zone 3*	[REDACTED]	\$ 90.00	\$ 81.00	[REDACTED]	[REDACTED]	[REDACTED]
Dedicated Switched ROR DSI Zone 1*	[REDACTED]	\$ 23.00	\$ 20.70	[REDACTED]	[REDACTED]	[REDACTED]
Dedicated Switched ROR DSI Zone 2*	[REDACTED]	\$ 23.00	\$ 20.70	[REDACTED]	[REDACTED]	[REDACTED]
Dedicated Switched ROR DSI Zone 3*	[REDACTED]	\$ 23.00	\$ 20.70	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL REVENUE IMPACT					\$ (6,828,850.39)	

* The equivalent composite rates/month for the DSI interoffice transport elements are as follows: Present \$ 001791, Proposed \$ 001612

ICO Toll Settlements

DATA SOURCE: TOLL SETTLEMENTS FOR MAR THRU JUNE '03 ANNUALIZED

Base Data: Base Data reflects MAR THRU JUN '03 AVERAGE

		Annualized ICO Payments to BST							
Company		ICO ORP Payments to BST (excludes transit) @ Present Rate	ICO ACS Payments to BST (excludes transit) @ Present Rate	Total ICO Payments to BST for ORP & ACS @ Present Rate		ICO ORP Payments to BST (excludes transit) @ Proposed Rate	ICO ACS Payments to BST (excludes transit) @ Proposed Rate	Total ICO Payments to BST for ORP & ACS @ Proposed Rate	Annualized Total Reduction in Settlement Revenues to BST ORP & ACS @ Proposed Rates
SC	ALLTEL				\$		\$		
SC	BLUFFTON				\$		\$		
SC	HARGRAY				\$		\$		
SC	CHESNEE				\$		\$		
SC	MCCLELLANVILLE				\$		\$		
SC	ST. STEPHEN				\$		\$		
SC	NORWAY				\$		\$		
SC	WILLISTON				\$		\$		
SC	PALMETTO				\$		\$		
SC	PIEDMONT				\$		\$		
SC	POND BRANCH				\$		\$		
SC	SANDHILL				\$		\$		
SC	WEST CAROLINA				\$		\$		
SC	CHESTER				\$		\$		
SC	LOCKHART				\$		\$		
SC	RIDGEWAY				\$		\$		
SC	FARMERS				\$		\$		
SC	Verizon - GTE				\$		\$		
SC	Verizon - CONTEL				\$		\$		
SC	HOME				\$		\$		
SC	HORRY				\$		\$		
SC	Sprint - UNITED				\$		\$		
TOTALS				\$2,245,263				\$1,082,985	\$1,162,278

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-239-C

IN RE: Proceeding to Establish Guidelines)
 for an Intrastate Universal Service Fund)
_____)

This is to certify that the undersigned, Nyla M. Laney, is employed by the Legal Department for BellSouth Telecommunications, Inc. and that she has caused the Direct Testimony of J. Edward Matejick in the foregoing matter to be served upon the person(s) named below this 31st day of December, 2003, by placing copies of same in the United States Mail, postage prepaid, addressed as follows:

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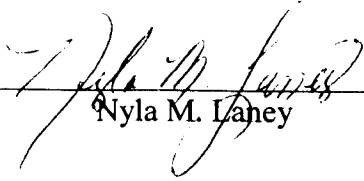
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